

AUTUMN BUDGET



Rents 'will rise in ban on agents charges'

LETTING FEES

PLANS to ban letting agents from charging tenants up-front fees will just lead to higher rents, landlords say.

Under Autumn Statement proposals, agents in England would no longer be able to charge fees, for example where a new tenancy agreement is signed.

It will stop tenants being stung for an average £223.

But National Landlords Association boss Richard Lambert said it will "boomerang back on them".

He said agents will shift the fees on to landlords, who will have to put rents up.

But homeless charity Shelter said that in Scotland where letting fees have already been removed, rental prices have not seen a spike.

CASE STUDY

CHLOE Smith is one of the thousands of renters hit by greedy letting agents levying extra charges.

The finance worker, 25, below, welcomed Philip Hammond's crackdown.

She said: "The extra charges are unregulated and are crippling for renters like myself who struggle to make ends meet."

"Last year, I had to pay more than £1,710 upfront just to move in. Each time I have rented a flat I have had to fight to get my deposit back."

"I was paying extra, but certainly did not seem to get any extra help or service."

Fed up of being ripped off, Chloe, from Leeds, moved this year with Spareroom.com finding her a flat share in Clapham, South London, for £655 plus £60 per month bills.

She added: "Letting agents hit the most vulnerable in society. I want to save my money to buy, not line their greedy pockets."

PS... THAT LAST BLOKE ISN'T DOING TOO BAD FOR HIMSELF

GEORGE Osborne banked £320,438 in outside earnings last month alone as he cashed in from the backbenches.

The ex-Chancellor, below, is charging more than £75,000 a pop for after-dinner speeches in the US – more than an MP's annual salary.

He gave five speeches in October – as well as getting freebie flights to New York.



By HARRY COLE
and STEVE HAWKES

A "STEALTH tax" clobbering of drivers and homeowners by the Chancellor sparked uproar last night.

Philip Hammond signalled another £4billion raid on the Insurance Premium Tax (IPT) – hiking it from 10 to 12 per cent next June.

Experts said the increased levy on premiums – the third in under 18 months – could bump up families' insurance bills by £90.

The RAC also warned it may force some hard-pressed motorists to drive without cover – increasing premiums still further.

The increases will raise a total of £13billion for the Government over five years in a move dubbed the "stealth tax of our time".

The "hammer blow" to motorists, homeowners and pet-lovers overshadowed the one-year freeze to fuel duty in the Autumn Statement.

The AA said: "The Chancellor has created the illusion of being the motorists' friend with a freeze on fuel duty whilst pickpocketing drivers on Insurance Premium Tax."

Over recent years, motorists have learned to beware of Chancellors bearing gifts."

IPT was 5 per cent when the Tories came to power in 2010, before then-Chancellor George Osborne hiked it to six per cent the following year.

The latest flurry of rises began in July 2015, when he increased it to 9.5 per cent – then again to 10 per cent in his March Budget.

His successor's further two per cent hike yesterday means the tax has doubled in less than 18 months.

While freezing tax on fuel again will cost the Treasury £845million, the IPT rise will rake in an extra £955million per year, with £4billion raised by 2020. It will earn the Treasury more than Inheritance Tax, Wine and Beer duties and even Air Passenger Duty.

Treasury officials said it was a tax on insurers who then decide whether to pass it on – but angry firms say they have no choice.

Association of British Insurers chief Howard Evans called it "a hammer blow for the hard-pressed."

He added: "It will hit consumers and businesses alike, hurting those who buy business, motor, property, pet and health insurance."

AXA branded it "an unwarranted attack on millions of people" and said the "affordability of insurance is being fundamentally threatened". Insurance app Cuava accused the Chancellor of "slapping just about managing pet owners, homeowners and drivers with an unfair tax hike that punishes sensible consumers".

RAC director Mark Godfrey said: "This further increase is a slap in the face for motorists who will surely see their premiums once again increase."

And he warned: "The Chancellor may now be at risk of encouraging some hard-pressed motorists to drive without car insurance, which will further increase premiums for law-abiding drivers."

"We would urge the Government, in the name of road safety, to reconsider this rise."

AA president Edmund King added: "This is a tax on responsible car ownership – as opposed to the lawless one million without motoring cover, who leave the state to pick up the pieces."

The Chancellor was also blasted over his vow to stop Brits "sacrificing" their salary on middle-class perks such as company cars, gym memberships and mobile phones.

Currently employees can pay for such benefits before tax is taken.

The employer also saves National Insurance on the "sacrificed" amount.

But Mr Hammond said the practice will be stamped out from next

Insurance going up?

OH YES!

5%
Insurance
Premium Tax
in 2010

12%
Insurance
Premium Tax
by 2017



April – saving the Treasury as much as £250million a year. He said: "The majority of employees pay tax on a car salary. But some are able to sacrifice salary and pay much lower tax on benefits in kind." "This is unfair and so from April 2017 employers and employees who use these schemes will pay the same taxes as everyone else."

The Chancellor has vowed to phase in the crackdown – with arrangements for cars, accommodation and school fees protected until April 2020.

Ultra-low emission cars, pensions savings, childcare and cycle-to-work programmes will be exempt. But the move sparked fury in the

business world. CBI director-general Carolyn Fairbairn said: "This sends the wrong signal to companies wanting to invest more in employee health and wellbeing." Sue Robinson, of City accountants Ernst & Young, added: "People who use schemes for benefits such as health screening will be among those who see their tax bills rise."

Treasury sources last night said salary sacrifice was used by just three per cent of taxpayers, but numbers have exploded since 2010.

Meanwhile, savers were offered a new bond in the Autumn Statement, giving 2.2 per cent interest rates up to £3,000.

Two economic forecasts a year have been published since 1976.

harry.cole@thesun.co.uk

LAST HURRAH

THIS was Mr Hammond's first and the final Autumn Statement, he said yesterday.

The Chancellor said he made his decision in a bid to promote stability and certainty for the economy.

He said: "No other major economy makes hundreds of tax changes twice a year and neither should we." The Treasury denied the move was made in case emergency Brexit measures are required.

"I'm delighted the Chancellor listened to the concerns of drivers and FairFuelUK supporters. He is absolutely right

to put more money in the pockets of hard-pressed families and small businesses."

But Quentin Willson of FairFuelUK believes Philip Hammond should have gone further. He said: "I'm disappointed that the Chancellor didn't instantly put money into everyone's pockets by cutting duty."

Savings... Mike Dowling



Stealth warning ...
Hammond leaves for
Commons yesterday



All smiles... Hammond with Theresa May during Commons debate

WINNERS

OAPs	'Triple lock' stays on state pension
Househunters	£3.7bn to help build 100,000 new homes
Taxpayers	Tax-free allowance rises to £12,500, higher rate up to £50,000
Workers	National Living Wage up 30p an hour to £7.50
Motorists	Whiplash clamp cuts premiums by £40. Fuel duty frozen, £130-a-year average saving
Workers on benefits	More than £1bn pledged to ease cuts
Parents	Tax-free childcare
Tenants	Letting agents' fees axed
Savers	New NS&I account paying 2.2% on a max of £3,000. Ban on cold calling by pension firms.



LOSERS

People with insurance	Insurance premium tax up 2% to 12%. Car insurance will cost around £109 more.
People with tax perks	Clamp on 'salary sacrifice' benefits such as phones. Does not affect pensions, childcare, cycle-to-work, ultra-low emission cars
Savers	'Drawdown' pensions allowance cut by £6,000 to £4,000
Buy-to-let investors	Landlords to pay for some letting agents' services
Tax avoiders	Action pledged against big business and avoidance schemes



FREEZE A GOOD FELLOW

FUEL DUTY

THE Chancellor's decision to freeze fuel duty at 57.95p per litre was welcomed by MPs and campaigners yesterday.

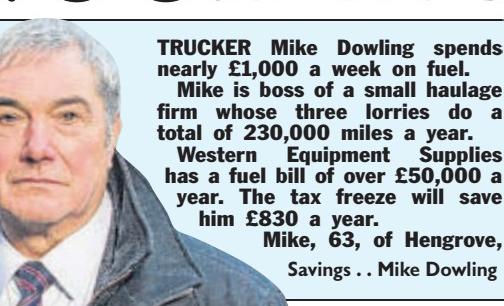
Tory MP Charlie Elphicke, chair of the All Party Parliamentary Group for Fair Fuel, said: "This is a victory for the hard-working classes of modern Britain."

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£200m for grammar revolution
EDUCATION

PHILIP Hammond pledged £200million to bankroll PM Theresa May's grammar schools revolution yesterday.

It means £50million a year will be spent expanding them in England from next year.

The Chancellor told MPs it would boost the number of good school places on offer.

But the move to spend on a policy not included in the Tory manifesto infuriated critics.

Labour's Shadow Education Secretary Angela Rayner accused the Tories of creating "a country for the few at the expense of the many".

Teaching unions called the investment, which leaves out regular state schools and academies, "disappointing".

Russell Hobby, of the National Association of Head Teachers, said it was "the wrong priority".

And Labour's Shadow Chancellor John McDonnell accused the Tories of pouring cash into a "failed 20th century policy".

2,500 extra guards for thug crims

JAILS CRISIS

PRISONS were yesterday handed a £555million cash injection to improve safety.

After a spate of riots and violence, the much-needed boost from the Chancellor will be used to recruit an extra 2,500 guards by 2020.

Philip Hammond said he had "exceptionally agreed to provide additional funding to the Ministry of Justice to tackle urgent prison safety issues" following last week's walkout by prison officers.

Around 10,000 staff in England and Wales downed tools over claims of a "surge in violence" in jails.

They only returned to work after High Court injunction ordered them to end a 24-hour protest last Tuesday.

The Sun on Sunday this week laid bare the anarchy in Britain's prisons.

In a 19-day snapshot, there were 400 incidents reported, including 30 assaults by lags on prison officers.

CASE STUDY

Bristol, and his two other drivers spend hundreds of wasted hours each year in traffic jams on congested roads.

He said: "I sit in traffic jams wondering how much it is costing in tax, labour and fuel."

If the Government can save any of that, that's fantastic."